
OLR Bill Analysis

sHB 5102

AN ACT PROVIDING AN EXEMPTION FROM PROPERTY TAX FOR MOTOR VEHICLES.

SUMMARY:

Beginning July 1, 2019, this bill exempts from local property taxes the first \$20,000 of a motor vehicle's net assessed value (i.e., the vehicle's assessed value after subtracting all the property tax exemptions for which the vehicle's owner qualifies). The exemption applies to people who own or lease cars, light duty or pickup trucks, or motorcycles identified on the list the motor vehicles commissioner provides to town assessors for property taxation. People leasing vehicles qualify for the exemption if the (1) lease is for at least one year; (2) lease agreement assigns responsibility for property taxes to the lessee, whether or not the tax charge is separately stated in the agreement or on a bill or invoice received from the town or leasing company; and (3) leasing company is licensed by the state. (In practice, all companies leasing vehicles to people in Connecticut are licensed here because the Department of Motor Vehicles requires such a license before a lessee can register the leased vehicle in the state.)

EFFECTIVE DATE: October 1, 2013

BACKGROUND

Legislative History

The House referred the bill (File 425) to the Finance, Revenue and Bonding Committee, which favorably reported a substitute that removed provisions establishing a statewide mill rate for motor vehicle property taxes and a five-year transition period to help municipalities adjust to the revenue changes resulting from the statewide mill rate, and replaced them with the motor vehicle property tax exemption (CGS § 22-380f).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 10 Nay 9 (03/22/2013)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 37 Nay 13 (05/01/2013)